

New employee transit benefit

Until 1998, qualified transportation benefits for employees could not be excluded from taxable income, unless provided in addition to and not in lieu of any compensation otherwise payable to the employee. Now, employers can present employees with the option to commute to work on transit. Employees enjoy savings on commuting expenses, while employers receive an equivalent income tax deduction.

Three ways to enjoy the transit benefit

As an employee benefit in addition to salary

An employer pays in full for the monthly Metropass as a benefit in addition to employee salaries. In exchange, the employer receives an equivalent deduction free of federal income tax. And because it's a fringe benefit, employees don't need to report it as taxable income.

2. Employer shares monthly Metropass cost with employees

Employers contribute part of employees' commuting expenses tax free in addition to salaries, while allowing employees to set aside pre-tax dollars (in lieu of salary) to pay for a monthly Metropass. In exchange, employers save on payroll taxes, and employees don't pay income tax on the set-aside dollar amount.

3. Employee sets aside a pre-tax dollar amount (as done for 401(k) plans)

Employees set aside commuting costs of up to \$65 a month using pre-tax dollars. And because commuting

with a transit pass is considered a benefit rather than taxable income, employees don't pay income tax on the set-aside dollar amount. In addition, because the set-aside dollar amount would be reflected as a reduction of taxable salary, employees pay less income tax, thus reducing the cost of a monthly Metropass even further.

Under this option, employees can choose to limit their pre-tax deduction to only certain months of the year, and they would not lose the dollar amount if it is not used.

Eligible employers

- Private employers
- Public and federal agencies
- Members of military services
- Nonprofit organizations

However, self-employed individuals, sole proprietors, independent contractors, partners, and 2% shareholders of "S" corporations are not eligible under Internal Revenue Service rules.

Save even more with the Group Metropass discount

In addition to these savings, groups between five and 99 people can purchase the monthly Metropass as a single group and save \$6 per pass every month. Groups of 100 or more save \$8 on each monthly Metropass purchase.

Best of all? More parking spaces for customers, less car congestion around your business, and employee savings on commuting costs.

With a monthly Metropass, your employees benefit from unlimited rides on Metrobus and Metrorail, seven days a week. Metromover is free for everyone. In addition to commuting to work, employees can ride transit on weekends to go shopping, go to the movies, or visit a friend. Transit will take you just about anywhere in Miami-Dade County.

In an emergency, we'll provide a free taxi ride

In a personal or family emergency, or if required to work unscheduled overtime, transit commuters can register with the Emergency Ride Home program (ERH). Use an ERH trip voucher (two vouchers received at time of registration) to cover the cost of a taxi trip home, or wherever the emergency takes you.

Registered transit users call 1-800-234-RIDE to be connected to the appropriate cab company, and present the voucher at the end of the taxi trip.

Use of this program is limited to six times a year per individual and when there is an unexpected emergency only. For more information, or to request a registration form. call 1-800-234-RIDE.

How to implement a transit benefit program

A Miami-Dade Transit representative is available to meet with your organization and explain how this program works. To learn more about this tax-free transit benefit, contact MDT's Corporate Outreach Coordinator at (305) 375-1639.

